

# Panel II.A Demand Reduction

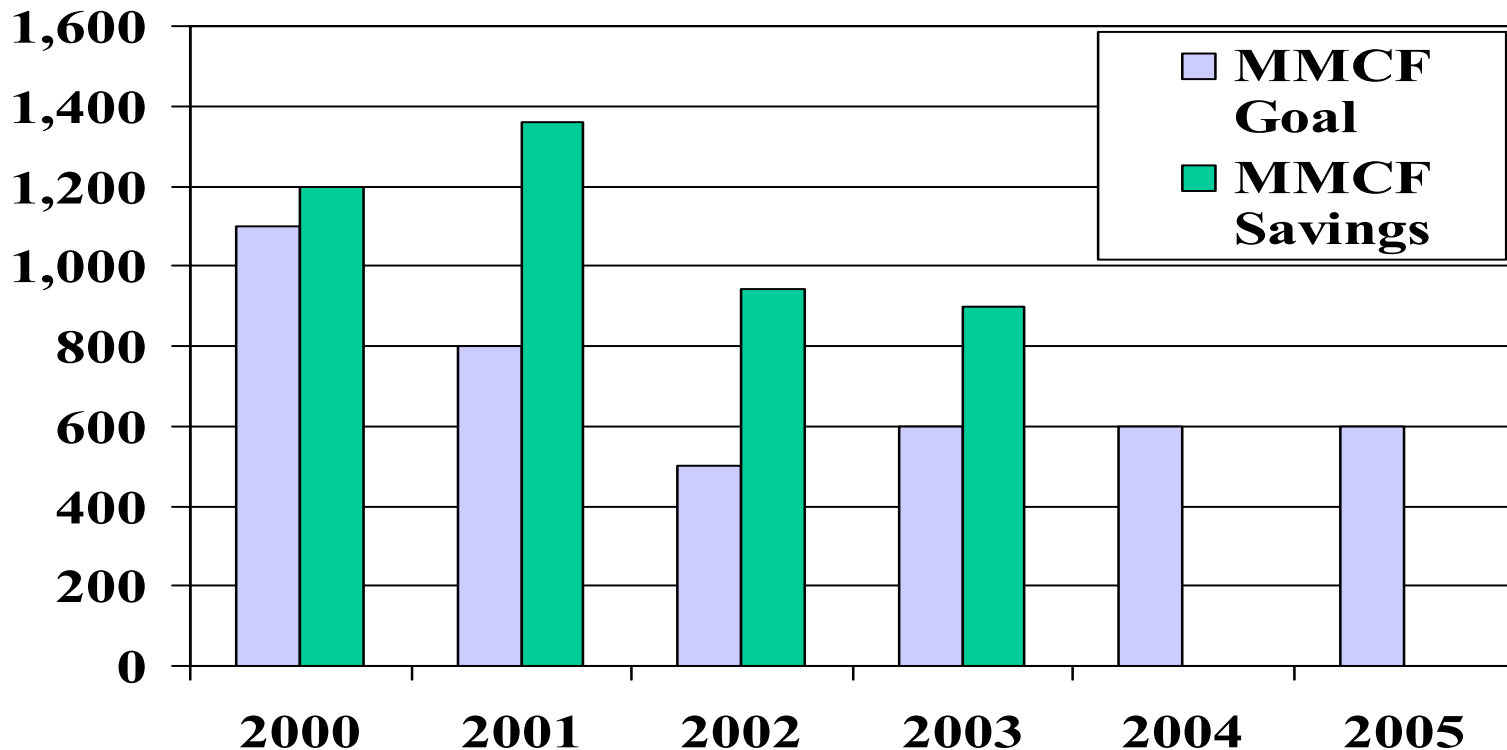
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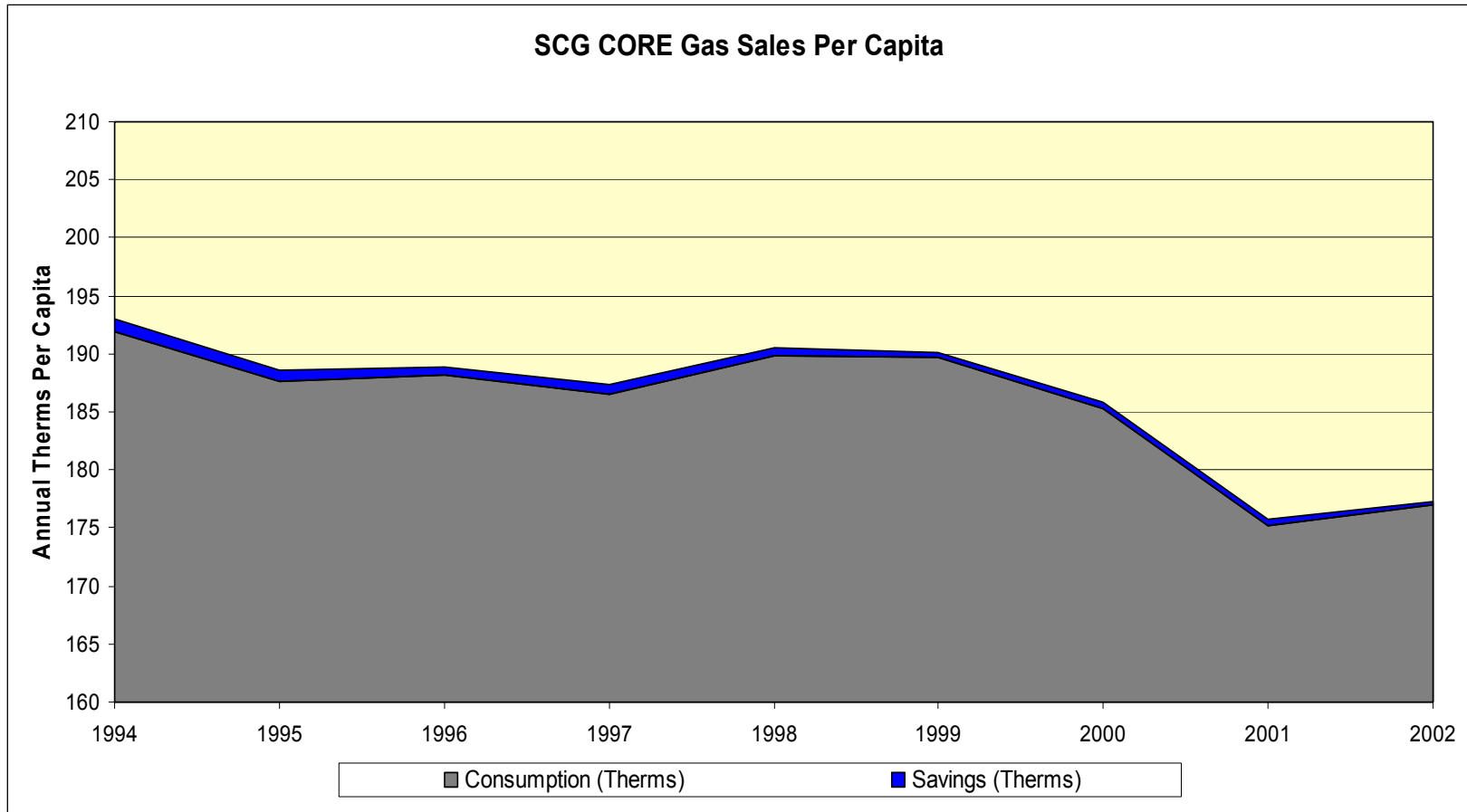
Director Commercial/Industrial Markets  
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# Current programs have been very effective

- SoCalGas reductions 2000 to 2006
- SoCalGas programs have consistently exceeded goal, averaging over 1BCF/yr in reductions

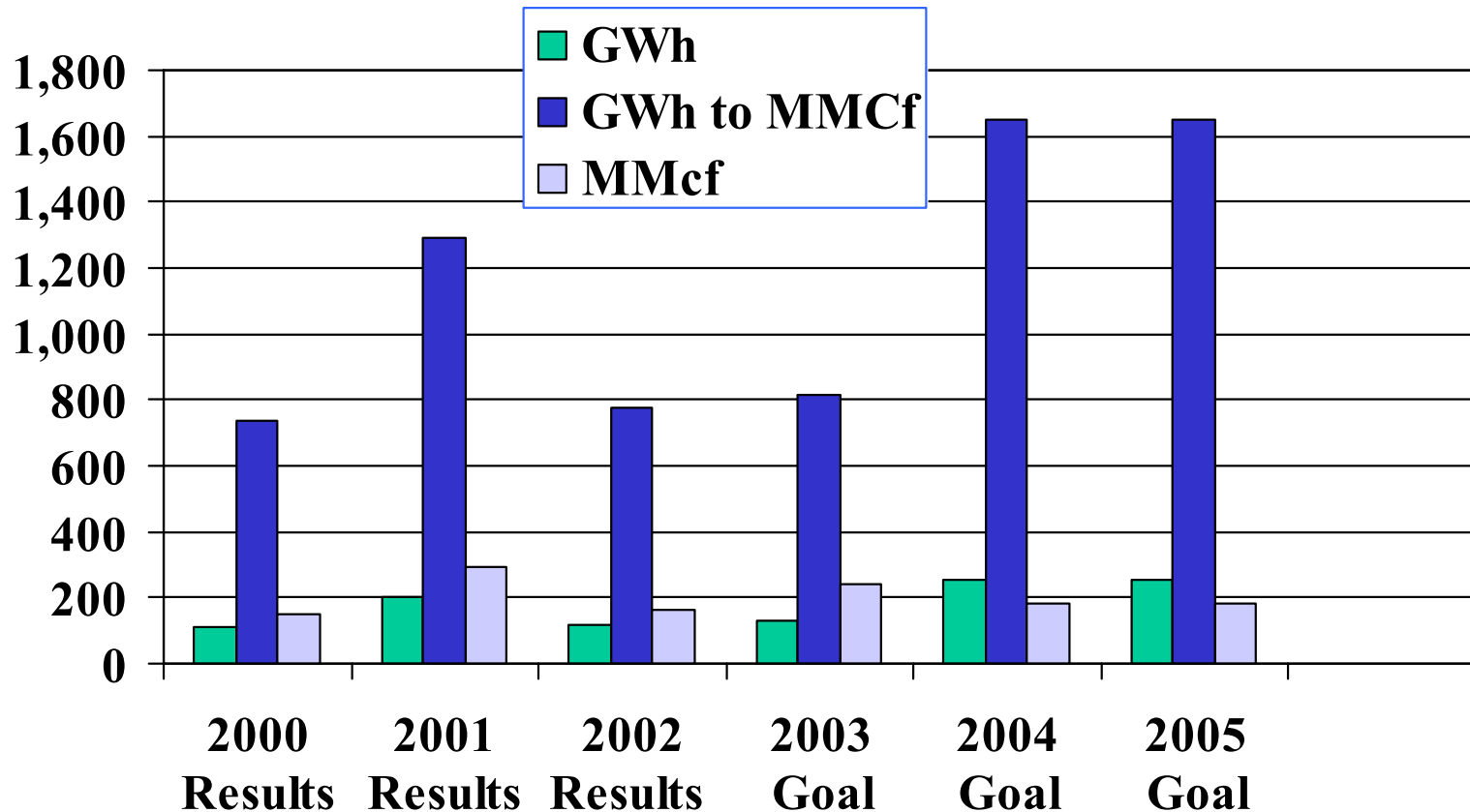


# Energy Efficiency Programs have reduced Gas Consumption per Capita



# Current programs have been very effective

- SDG&E Natural gas reductions 2000 to 2006
- SDG&E Customers have reduced demand over 500 megawatts since 1990



## More ambitious efforts have already begun

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- SDG&E will increase electric energy efficiency efforts by 70% starting in 2004, pending approval.
- This translates to an incremental natural gas EG load reduction of 800 MMcf!
- Higher gas costs and 2 year program cycles would suggest SoCalGas programs could be quickly and effectively expanded.

## ...Creative efforts are underway as well

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- Sustainable Communities
  - A new opportunity for the 2006 to 2016 decade.
  - Advanced interconnected distribution systems, serving sustainable communities that incorporate “green” building materials and design, renewable energy resources, local electric generation, waste heat recovery and water conservation systems.
  - Ultimate goal, Net zero incremental emissions and energy use.

# We want to do more....

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- Funding has remained constant for past five years
- Customer response indicates demand for natural gas programs continues to exceed current funding levels
- Gas commodity costs are up, making energy efficiency options more cost effective

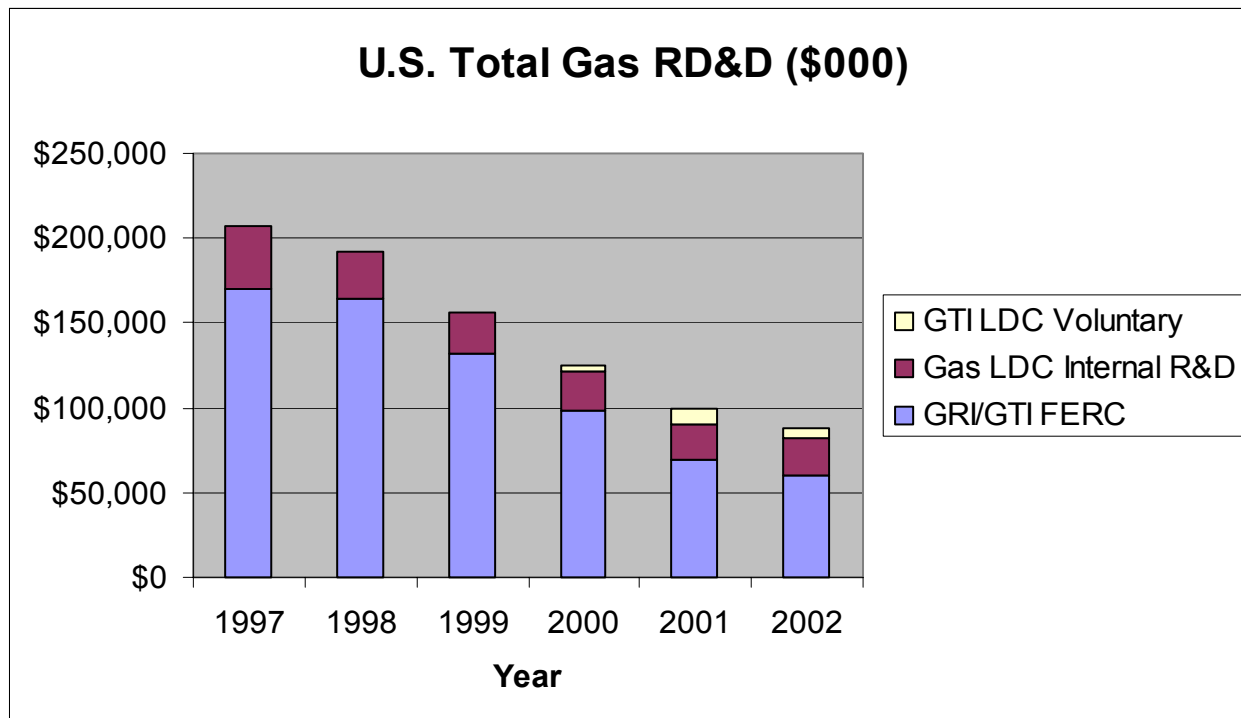
## ....but how much more?

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- Regional market studies should be performed to assess market potential for all cost effective natural gas energy efficiency opportunities.
- In the interim, we recommend increasing funding proportional to the customer growth

# Gas Industry R&D continues to decline

- The Gas Technology Institute, Gas Research Institute and Gas LDC funding for past 6 years
- Traditional GTI FERC Funding \$0 effective 1,1, 2005
- PGC funds for RD&D potentially \$5 to \$15 million beginning 2004



## In summary..

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- Current EE programs have been very effective in reducing demand.
- Regional studies should be done to assess all cost effective energy efficiency opportunities.
- In the interim, we recommend increasing funding proportional to the customer growth rate over the past five years.
- Non-traditional, creative programs should be piloted as ways to reduce demand